

# EXHIBIT A

TI BEVERAGE GROUP, LTD., et al.  <div style="text-align: center;">Plaintiffs,</div>  <div style="text-align: center;">vs.</div>  S.C. CRAMELE RECAS S.A., et al.,  <div style="text-align: center;">Defendants,</div>	Case No. CV-06-7793 VBF (JWJx)  <b>STIPULATION AND [PROPOSED] ORDER FOR ENTRY OF JUDGMENT</b>
AND RELATED CASE	

## RECITALS

B. WHEREAS, the following allegations are provided merely to give context to this Stipulation and in order to effectuate settlement of the Complaint and Counter-Claim. The following factual allegations may or may not be true. Any allegation made by the TI parties is disputed by the RECAS parties. Any allegation made by the RECAS parties is disputed by the TI parties.

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1 C. WHEREAS the TI parties have alleged that MACHAT through various  
2 entities, including TI Beverage Group, Ltd., has been selling beverages under the  
3 Vampire brand for close to twenty years;

4 D. WHEREAS the TI parties have alleged that MACHAT is the owner of  
5 various Vampire related trademarks throughout the world, including amongst others,  
6 U.S. trademark registrations 2263907, 3082097, 2681906, 3196399, 3141345 for  
7 Vampire, Vampyre, Vamp, Vampire.com, Vamp icon respectively, and Canadian  
8 trademark registrations TMA535141, TMA651914, and TMA662183 for Vampire,  
9 Vampyre and V with blood drop logo respectively.

10 E. WHEREAS the TI parties have alleged that, beginning in approximately  
11 September of 1997, MACHAT began to use a V with a blood drop dripping off the V  
12 in Vampire as part of a design logo for his Vampire branded wines.

13 F. WHEREAS the TI parties have alleged that, on or about June 11, 2001  
14 MACHAT, COX, and ZARNOVEANU, entered into an three-party agreement ("the  
15 Three-Party Agreement") which provided, amongst other things, that MACHAT  
16 would from time to time place orders for wine to be bottled under the VAMPIRE  
17 brand; COX via his winery would supply the wine bottled under the VAMPIRE brand  
18 to MACHAT or his designee; and that PROVINUM would bill MACHAT or his  
19 designee for the wine ordered.

20 G. WHEREAS the TI parties have alleged that the Three-Party Agreement  
21 also provided that the VAMPIRE brand was MACHAT'S property throughout the  
22 world; that the RECAS parties would not sell wine bearing the VAMPIRE mark to  
23 anyone throughout the world other than MACHAT or his designee; and that the  
24 RECAS parties would take all actions to protect MACHAT'S VAMPIRE brand  
25 throughout the world.

26 H. WHEREAS the TI parties have alleged that, in approximately 2002,  
27 MACHAT expanded his use of the V with blood drop by using it standing alone as a  
28 trademark for his VAMPYRE vodka in the U.S. and elsewhere.

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I. WHEREAS the TI parties have alleged that MACHAT has a pending trademark application no. 78605786 for the V with blood drop design;

J. WHEREAS the TI parties have alleged that, sometime in approximately April of 2005, RECAS began supplying wine to parties other than MACHAT (or MACHAT's designees) that was branded with a V that sometimes had a blood drop dripping of the V, and sometimes did not contain the blood drop dripping off the V;

K. WHEREAS in December of 2006, TI BEVERAGE GROUP LTD dba TRANSYLVANIA IMPORTS and MICHAEL MACHAT filed suit (Case No. CV-06-7793 VBF (JWJx) against the RECAS parties alleging breach of the Three-Party Agreement, trademark infringement, and unlawful competition;

L. WHEREAS the RECAS parties filed a Counter-Claim against the TI parties plus TRANSYLVANIA IMPORTS, INC., CUPIDO, PATHWAYTODARKNESS.COM, and VAMPIRE.COM alleging breach of contract for failure to pay for goods had and received, breach of the implied covenant of good faith and fair dealing, intentional interference with contractual relations, fraud, and trade libel amongst other claims;

M. WHEREAS PROVINUM and BASIL ZARNOVEANU allege the filing of the Complaint against them was malicious and without any foundation because PROVINUM and BASIL ZARNOVEAUNU allege that they had no dealings whatsoever with the entities the TI parties allege infringe on their intellectual property; and

N. WHEREFORE, in consideration of the mutual covenants and conditions contained and referenced here, the Parties agree as follows:

#### **I. ENTRY OF JUDGMENT**

##### **A. THE RECAS PARTIES COVENANT**

1. Each of the RECAS parties and each of their agents and assigns agree to cease and desist from any of the following:

a. Using Vampire, Vampyre, Vampire Vineyards, Vamp, the Vamp

1 icon, or any other word or words or marks which are confusingly similar to, or a  
2 colorable imitation of any of the aforementioned trade names and marks, either alone,  
3 as part of, or together with, any other word or words, trademark, service mark, trade  
4 name, or other business or commercial designation in connection with the sale,  
5 offering for sale, advertising, and/or promotion of beverage products and beverage  
6 accessories anywhere throughout the World.

7 b. Using the letter V, as a trademark, either alone, or with a blood  
8 drop, as part of, or together with, any other word or words, trademark, service mark,  
9 trade name, or other business or commercial designation in connection with the sale,  
10 offering for sale, advertising, and/or promotion of beverage products and beverage  
11 accessories anywhere throughout North America.

12 c. Representing directly or indirectly by words or conduct that any  
13 beverage product or beverage accessory offered for sale, sold, promoted, or advertised  
14 by any of the RECAS parties, is authorized, sponsored by, endorsed by, or otherwise  
15 connected with any of the TI parties.

16 2. As additional consideration for the Settlement Agreement, the RECAS  
17 parties agree to the following:

18 a. Provide a complete accounting of all VAMPIRE labeled wine sold  
19 by the RECAS parties over the last thirteen months to any entities other than the TI  
20 parties unless an accounting has already been provided to the TI parties within six  
21 months from the date this judgment is entered;

22 b. Immediately cease and desist from selling any VAMPIRE labeled  
23 wine to any entity, anywhere throughout the world, other than to TI or MACHAT.

24 c. Destroy all dry goods including but not limited to labels, branded  
25 corks, boxes, and capsules that display any trademark of the TI parties such as  
26 VAMPIRE, CUPIDO or the VAMP design and logo.

27 d. Immediately cease and desist from selling any V labeled wine  
28 (regardless of whether or not the V wine comes with or without a blood drop) to any

1 entity for sale in North America.

2 3. The RECAS parties each agree that for any violation of its obligations  
3 specified herein, the breaching party(ies) will be obligated to pay the TI parties  
4 liquidated damages in the amount of ten thousand dollars and no cents only  
5 (\$10,000.00) per incident plus one dollar and no cents only (\$1.00) per bottle or dry  
6 good as the case may be. The Parties expressly agree that said liquidated damages  
7 constitutes a reasonable estimate of the harm such unauthorized conduct is likely to  
8 cause the TI parties and should not be construed as an unenforceable penalty. The  
9 Parties further agree that, in case of a breach of this Agreement by any of the RECAS  
10 parties, the TI parties shall have the option of electing to seek actual damages in lieu  
11 of liquidated damages.

12 B. MICHAEL MACHAT, TI BEVERAGES GROUP LTD dba  
13 TRANSYLVANIA IMPORTS, VAMPIRE, INC., and CUPID WINES, INC. hereby  
14 agree to have judgment entered against them on the Counter-Claim in the amount of  
15 five hundred and fifty thousand dollars and no cents only (\$550,000.00).

16 Based on the express representation of the TI parties that the following entities  
17 no longer or have never existed, the RECAS parties agree that they will take nothing  
18 on their Counter-Claim against VAMPIRE.COM, CUPIDO, TRANSYLVANIA  
19 IMPORTS, INC., and PATHWAYTODARKNESS.COM. Absent such an express  
20 representation of the TI parties that these entities are not viable, the RECAS parties  
21 would have required that the foregoing monetary judgment apply to VAMPIRE,  
22 COM, CUPIDO, TRANSYLVANIA IMPORTS, INC., and  
23 PATHWAYTODARKNESS.COM in addition to MICHAEL MACHAT, CUPID  
24 WINES, INC., VAMPIRE, INC. and TI BEVERAGES GROUP LTD dba  
25 TRANSYLVANIA IMPORTS.

## 26 II. MISCELLANEOUS PROVISIONS

27 Binding Effect. This Stipulation shall be binding upon the parties and the  
28 parties' successors-in-interest.

1        Entire Agreement. This Stipulation constitutes the final, complete, and  
2 exclusive statement of the terms of the Stipulation between the Parties pertaining to  
3 the subject matter of the Stipulation and supersedes all prior and contemporaneous  
4 understandings or agreements regarding the Stipulation only of the Parties.

5        Modification of Stipulation. This Stipulation may be supplemented, amended,  
6 or modified only by mutual agreement of the parties. No supplemental, amendment,  
7 or modification of this Stipulation shall be binding unless it is in writing and signed  
8 and notarized by all parties.

9        Ambiguities. Each party and its counsel have participated fully in the review  
10 and revision of this Stipulation. Any rule of construction to the effect that ambiguities  
11 are to be resolved against the drafting parties shall not apply in interpreting this  
12 Stipulation.

13        Waiver. No waiver of a breach, failure of a condition, or any right or remedy  
14 contained in or granted by the provisions of this Stipulation shall be effective unless it  
15 is in writing and signed by the party waiving the breach, failure, right or remedy. No  
16 waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other  
17 breach, failure, right or remedy whether or not similar, nor shall any waiver constitute  
18 a continuing waiver unless the writing so specifies.

19        Heading. The headings in this Stipulation are included for convenience only  
20 and shall neither affect the construction or interpretation of any provision in this  
21 Stipulation nor affect any of the rights or obligations of the parties to this Stipulation.

22        Attorneys Fees. In any litigation, arbitration, or other proceeding by which one  
23 party either seeks to enforce its rights under this Stipulation (whether in contract, tort,  
24 or otherwise) or seeks a declaration of any rights or obligations under this Stipulation,  
25 the prevailing party shall be awarded reasonable attorneys fees, together with any  
26 costs and expenses, to resolve the dispute and to enforce the final judgment.



No Third-Party Rights. This Stipulation is made solely for the benefit of the Parties and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Stipulation.

Jurisdiction. The Parties agree that this Court has and shall continue to have jurisdiction to enter judgment both against and for them in this case. Any objections any party may have regarding this Court's jurisdiction to enter judgment against them, if any, are waived.

Counterparts. This Stipulation may be executed in counterparts and all so executed, shall constitute an agreement which shall be binding upon all parties hereto, notwithstanding that the signature of the parties do not appear on the same page.

**IT IS SO STIPULATED.**

Dated: September 5, 2007

WINSTON & STRAWN LLP

By: 

Jonathan M. Cohen  
Daniel F. Bailey  
Attorneys for Defendants and  
Cross-Claimants  
S.C. CRAMELE RECAS S.A.,  
et al.

Dated: September \_\_, 2007

CISLO & THOMAS LLP

By: \_\_\_\_\_

Daniel M. Cislo  
Kelly W. Cunningham  
Attorneys for Plaintiffs and  
Cross-Defendants MICHAEL  
MACHAT., et al.

Dated: September \_\_, 2007

By: \_\_\_\_\_

PHILIP COX

Dated: September \_\_, 2007

By: \_\_\_\_\_

BASIL ZARNOVEANU



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12 Dated: September 5, 2007

WINSTON & STRAWN LLP

14 By: 

Jonathan M. Cohen  
 Daniel F. Bailey  
 Attorneys for Defendants and  
 Cross-Claimants  
 S.C. CRAMELE RECAS S.A.,  
 et al.

18 Dated: September 6, 2007

CISLO & THOMAS LLP

20 By: 

Daniel M. Cislo  
 Kelly W. Cunningham  
 Attorneys for Plaintiffs and  
 Cross-Defendants MICHAEL  
 MACHAT., et al.

24 Dated: September \_\_, 2007

By: \_\_\_\_\_

PHILIP COX

26 Dated: September \_\_, 2007

By: \_\_\_\_\_

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WINSTON & STRAWN LLP

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 Daniel F. Bailey  
 Attorneys for Defendants and  
 Cross-Claimants  
 S.C. CRAMELE RECAS S.A.,  
 et al.

18 Dated: September \_\_, 2007

CISLO & THOMAS LLP

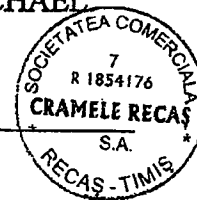
21 By: \_\_\_\_\_

Daniel M. Cislo  
 Kelly W. Cunningham  
 Attorneys for Plaintiffs and  
 Cross-Defendants MICHAEL  
 MACHAT, et al.

24 Dated: September 7, 2007

25 By: 

PHILIP COX



26 Dated: September \_\_, 2007

27 By: \_\_\_\_\_

BASIL ZARNOVEANU

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Dated: September 5, 2007

WINSTON & STRAWN LLP

By: 

Jonathan M. Cohen  
Daniel F. Bailey  
Attorneys for Defendants and  
Cross-Claimants  
S.C. CRAMELE RECAS S.A.,  
et al.

Dated: September \_\_, 2007

CISLO & THOMAS LLP

By: \_\_\_\_\_

Daniel M. Cislo  
Kelly W. Cunningham  
Attorneys for Plaintiffs and  
Cross-Defendants MICHAEL  
MACHAT., et al.

Dated: September \_\_, 2007

By: \_\_\_\_\_

PHILIP COX

Dated: September 07, 2007

By: \_\_\_\_\_

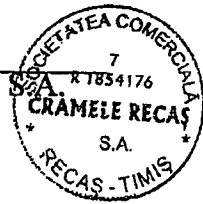
BASIL ZARNOVEANU

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101 California Street  
San Francisco, CA 94111-5894

1 Dated: September 7, 2007

By: 

S.C. CRAMELE RECAS S.A.  
by Philip Cox, Managing  
Director



4 Dated: September \_\_, 2007

By: \_\_\_\_\_

PROVINUM SR. by Basil  
Zarnoveanu, Managing Director

7 Dated: September \_\_, 2007

By: \_\_\_\_\_

MICHAEL MACHAT

9 Dated: September \_\_, 2007

By: \_\_\_\_\_

TI BEVERAGE GROUP, LTD.  
by MICHAEL MACHAT

11 Dated: September \_\_, 2007

By: \_\_\_\_\_

CUPID WINES, INC  
by MICHAEL MACHAT

13 Dated: September \_\_, 2007

By: \_\_\_\_\_

VAMPIRE, INC  
by MICHAEL MACHAT

16 **IT IS SO ORDERED.**

17 On consideration of the Stipulation between the TI parties and the RECAS  
18 parties, IT IS HEREBY ORDERED that this Stipulation will be adopted and entered  
19 into the records as this Court's Order and Judgment.

20 Dated: \_\_\_\_\_, 2007

23 JUDGE OF THE U.S.D.C.  
CENTRAL DISTRICT

25 SF:182490.1

Winston & Strawn LLP  
101 California Street  
San Francisco, CA 94111-5894

1 Dated: September \_\_, 2007

By: S.C. CRAMELE RECAS S.A.  
by Philip Cox, Managing  
Director

2  
3  
4 Dated: September 07, 2007

By: PROVINUM S.R.L.  
PROVINUM SR. by Basil Zarnoveanu, Managing Director

5  
6 Dated: September \_\_, 2007

By: MICHAEL MACHAT

7  
8 Dated: September \_\_, 2007

By: TI BEVERAGE GROUP, LTD.  
by MICHAEL MACHAT

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11 Dated: September \_\_, 2007

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by Philip Cox, Managing  
Director

4 Dated: September \_\_, 2007

By: PROVINUM SR. by Basil  
Zarnoveanu, Managing Director

6 Dated: September 6, 2007

By:   
MICHAEL MACHAT

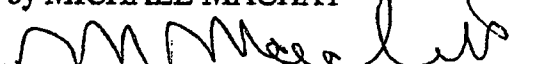
8 Dated: September 6, 2007

By:   
TI BEVERAGE GROUP, LTD.  
by MICHAEL MACHAT

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